

BEFORE THE VIRGINIA GAS AND OIL BOARD

APPLICANT: EQUITABLE RESOURCES)	DIVISION OF
EXPLORATION ("EREX"))	GAS AND OIL
)	DOCKET NO.
RELIEF SOUGHT: EXCEPTION TO)	VGOB-92-0915-0255
STATEWIDE SPACING)	
VIRGINIA CODE ANN.)	
§ 45.1-361.17)	
)	
LEGAL DESCRIPTION:)	
)	
WELL NUMBER V-2435 (ANR 10149))	
PVRC TRACT NO. TK-55)	
APPALACHIA QUADRANGLE)	
RICHMOND MAGISTERIAL DISTRICT)	
WISE COUNTY, VIRGINIA)	

REPORT OF THE BOARD

FINDINGS AND ORDER

1. Hearing Date and Place: This cause came on for hearing before the Virginia Gas and Oil Board (hereinafter "Board") at 9:00 a.m. on September 15, 1992, at the Southwest Virginia 4-H Center, Abingdon, Virginia.

2. Appearances: Richard A. Counts, Attorney, appeared for the Applicant, and Sandra B. Riggs, Assistant Attorney General, was present to advise the Board.

3. Notice and Jurisdiction: The Board finds that it has jurisdiction over the subject matter. The Board also finds that the applicant has exercised due diligence to locate and provide notice to all persons/companies entitled to notice of this proceeding.

4. Relief Requested: Applicant requests an exception to statewide spacing requirements set forth in Section 45.1-361.17 of the Code of Virginia for Well Number V-2435 (ANR 10149). The Applicant requests the Board's consent to drill Well Number V-2435 closer than 2640 feet to Wells Numbered V-133705 (ANR 10151) and V-133566 (ANR 10035).

5. Amendment: None.

6. Reasons Relief Should be Granted: Evidence presented on behalf of the Applicant shows, and the Board finds, that based on the deposition of the common sources of supply anticipated between surface and total depth projected to be drilled, the proposed location exception represents the optimum location to recover commercially productive hydrocarbons underlying the drilling and spacing unit.

A qualified landsman testified that the location exception was necessary due to environmental constraints, accommodation of other mineral interests and effective land management practices.

A qualified petroleum geologist testified that the granting of the location exception was in the best interest of preventing waste, protecting correlative rights and maximizing recovery of hydrocarbons underlying the drilling and spacing unit.

7. Relief Granted: The requested relief in this cause be and hereby is granted allowing the applicant to permit and drill Well Number V-2435 (ANR 10149) within 1659.71 feet of existing EREX Well Number V-133705 (ANR 10151) and within 2550.99 feet of existing EREX Well Number V-133566 (ANR 10035) as depicted on Exhibit A hereto.

8. Findings: That the well location exception, in accordance with the foregoing, is necessary to prevent waste, protect correlative rights, accommodate other mineral interests, and to generally effect the purposes of the Virginia Gas and Oil Act.

9. Effective Date: This Order shall be effective on the date of its execution.

10. Done and executed this 5th day of October, 1992, by a majority of the Virginia Gas and Oil Board.

11. Done and performed this 5th day of October, 1992, by Order of this Board.

VIRGINIA GAS AND OIL BOARD

Benny R. Wampler
Benny R. Wampler, Chairman

DONE AND PERFORMED
BY ORDER OF THE BOARD:

Byron J. Fulmer
Byron Thomas Fulmer
Principal Executive To The Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

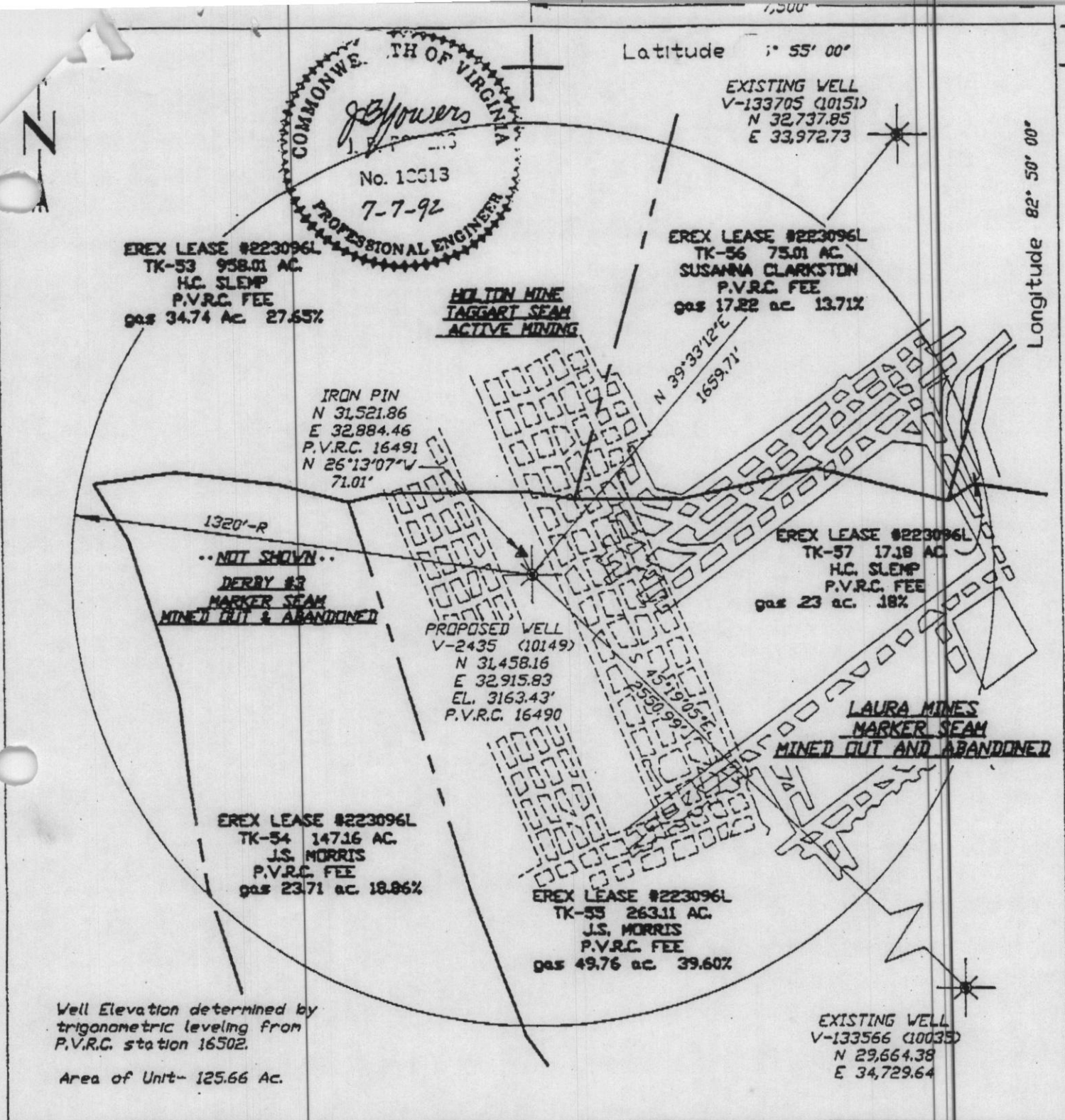
Acknowledged on this 5th day of October, 1992, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett
Susan G. Garrett
Notary Public
My commission expires 7/31/94

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 5th day of October, 1992, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.

Susan G. Garrett
Susan G. Garrett
Notary Public
My commission expires 7/31/94



WELL LOCATION PLAT

Company EQUITABLE RESOURCES EXPLORATION Well Name and Number V-2435 (10149)
 Tract No. 53 Elevation 3163.43' Quadrangle APPALACHIA
 County WISE District RICHMOND Scale: 1 = 400' Date 7-07-92
 This plat is a new plat X an updated plat or a final location plat
 Denotes the location of a well on United States topographic Maps, scale
 1 to 24,000, latitude and longitude lines being represented by border
 lines as shown.

J.B. POWERS

Licensed Professional Engineer or Licensed Land Surveyor

(Affix Seal)

EXHIBIT A